

FairTax versus the Flat Tax

While not as exciting as a WWF melee, the battle between the FairTax and the Flat Tax has implications far more important than simple trophies or championship belts. Simply stated, the philosophical battle between the FairTax and the Flat Tax may very well determine the economy fate of our Nation in the years to come.

The Flat Tax has been around a long time. In fact, the very first income tax was a Flat Tax of 1% levied on the incomes over \$600, with a 6% surtax on incomes over \$500,000. From there it grew into a monster that, at various times, was as high as 92% and filled over 70,000 pages of regulations.

In theory, reducing the complexity of the income tax system, like the Flat Tax promises, is a good thing. But history has demonstrated that Congress just can't be trusted to leave well enough alone. Every time the income tax system has been returned to Flat Tax status, Congress and Lobbyists get to work, creating special exemptions for friends and contributors. And while Congress is cutting deals for their friends, the rates paid by the rest of us just keep going up.

In addition, because the Flat Tax is an income tax, the entire IRS apparatus remains in place, and businesses must continue with the endless record keeping and IRS filings mandated under the current system. Also, the Flat Tax does nothing about reducing the job-killing taxes paid by businesses.

The FairTax, on the other hand, is a real change from the past.

Under the FairTax, people get to keep their whole paycheck, without all those income and payroll tax deductions. The Flat Tax keeps income and payroll tax deductions in place, reducing your take home pay.

Under the FairTax, business taxes are eliminated, helping to create more, high-paying jobs, keeping jobs in America, and bringing foreign companies, with their factories, into the US. The Flat Tax does little to encourage the growth of American jobs.

Under the FairTax, individuals control when and how they pay their taxes by how they make their purchases, and because of the prebate, no one, rich or poor, has to pay taxes on the necessities. The Flat Tax continues to promote the use of highly regressive embedded taxes in essential goods and services, penalizing the poor and most vulnerable of our Citizens.

FairTax versus the Flat Tax may turn out to be the Event of the Century, and you can participate. (But please, no chairs over the heads of the Flat Taxers. They're not bad, just misguided!!)